

ATTENTION: If you are or soon will be receiving PBGC pension benefit payments, please read this document.

What is the HCTC

The Health Coverage Tax Credit (HCTC) is a federal tax credit available through the IRS that pays 65 percent of qualified health plan premiums for potentially eligible individuals and their qualified family members.

Who is eligible for the HCTC?

Two groups of individuals are potentially eligible for the HCTC. They include individuals who are receiving:

- Pension Benefit Guaranty Corporation (PBGC) pension benefit payments who are between the ages of 55 and 65 and are not eligible for Medicare.
- Certain Trade Adjustment Assistance (TAA) or Alternative Trade Adjustment Assistance (ATAA) benefits.

How do you enroll in the IRS HCTC Program?

To ensure a successful registration in the HCTC Program, please use the following checklist:

- ☐ 1. Apply for and receive a PBGC pension benefit payment. If you have any questions on this step, contact the PBGC.
- ☐ 2. Enroll in a qualified health plan. **Only certain types of health plans qualify.** These include:
 - State-Qualified Health Plan (for a complete listing visit, www.irs.gov, **IRS Keyword: HCTC**).
 - COBRA Continuation Coverage.
 - Spousal Coverage, where your spouse's employer pays for less than 50 percent of the health plan premium.
 - Individual (Non-Group) Coverage that began at least 30 days before you retired from the company that was trusted by the PBGC.
- ☐ 3. When you receive an HCTC Program Kit in the mail, fill out the enclosed *Registration Form* and mail it to the HCTC Program. You will need the following information to complete the *Registration Form*:
 - A copy of your health plan invoice and COBRA election letter (if applicable).
 - Your health plan Policy Number, Group Number, and your Member ID.
 - The Social Security Numbers and health plan policy information (if different from your own) of family members you want to register for the HCTC.

NOTE: To prevent a delay in your registration, you must complete each section of the Registration Form (do not skip any questions), and sign and date it.

- ☐ 4. Apply for temporary state-level assistance for the HCTC (also called NEG Bridge Grants), if available in your state, that will help you pay your health plan premium costs while registering for the HCTC advance payment. Contact the U.S. Department of Labor toll-free at **877.US.2JOBS** for information.
- ☐ 5. Your registration is not complete until you receive an HCTC invoice. Until then, pay your health plan 100 percent. You can claim the credit for these months on your tax return.

Once your registration is complete:

- ☐ 1. Once you are enrolled in the HCTC Program, you will begin receiving monthly invoices from the program. You must pay the HCTC portion (*which is 35 percent of your health plan premium*) in full, each month, by the HCTC due date. HCTC will send your payment along with the remaining balance to your health plan.
- ☐ 2. Remember to notify the HCTC Program if:
 - Your health plan premium changes.
 - Your Health Plan Administrator changes.
 - Your HCTC eligibility changes, for example you turn 65 and become qualified for Medicare. If you lose your eligibility for the HCTC, so do your qualified family members.
 - HCTC eligibility of your qualified family members changes, for example your child becomes eligible for a State Childrens Health Insurance Plan.

- Only specific health plans qualify for the HCTC. To verify that your health plan is qualified, please visit HCTC online at **www.irs.gov**, **IRS Keyword: HCTC**, or call the HCTC Customer Contact Center toll-free at **866.628.4282 (HCTC)**, TDD/TTY 866.626.4282.

- Questions about PBGC eligibility? Contact the PBGC at **800.400.7242**.